



KEVIN M. DELGOBBO  
COMMISSIONER

# STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC UTILITY CONTROL

## THE ENERGY & TECHNOLOGY COMMITTEE

### Senate Bill 1131: AAC RENEWABLE ENERGY AND WEATHERIZATION

March 17, 2009

#### TESTIMONY OF COMMISSIONER KEVIN DELGOBBO

The Department of Public Utility Control (Department) provides the following comments on Senate Bill No. 1131. Senate Bill No. 1131 Section 1, would require electric distribution companies (EDC's) to select one municipality within its service territory for a pilot renewable energy and weatherization pilot program. The Department has sixty days to approve such program once a municipality has been selected and the company files its plan with the Department. The net costs for this program are recovered through the systems benefits charge (SBC), a one mill per kW charge. The Department appreciates that this is an annual net cost which the Department considers not to exceed thirty million dollars in ratepayer funds.

Section 2, of this bill would establish an energy efficiency improvement program to coordinate the efforts of an EDC with those of a municipality or state electric customer to improve the energy usage profile at such customer's facility. The cost for this program is recovered through a customer-specific charge approved by the Department in a rate or tariff. This program established under this bill is designed to provide energy savings from all fuel sources. Accordingly, the Committee should be mindful to the extent that any ratepayers funds are utilized to support these initiatives that there be no cross-subsidization of such funds.

Section 3 of this bill would require an annual operating efficiency level of no less than fifty per cent for all Class III combined heat and power systems. The Department notes for the record that this amendment to the statute is practical and reasonable.

Section 4 requires that EDC'S implement a tiered distribution charge for residential customers. The tiers would increase in blocks of kW hours as determined by the companies. Subsection (b) would transfer any additional money generated from the tiered distribution charge to the Conservation and Load management Fund for the installation of solar thermal domestic hot water systems. While the Department appreciates the theory behind this section, it needs further explanation and clarity as to how this would work and questions why Department approval of this new rate is not necessary.

Section 5 would require the Office of Policy and Management to develop a plan to use any federal economic stimulus funds to develop a weatherization program for residents who heat their homes with oil or gas and do not qualify for other weatherization programs.

Section 6 amends Conn; Gen. Stats. § 16-245a(b), the RPS standards, by striking the word 'residential' from the class of customers an EDC can purchase RECs from and thereby expanding the group of customers who can supply the EDC's with credits to meet the RPS standards. The Department questions the need for this change since in practice it has already been accepting such transactions.